



STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING

RICK SNYDER
GOVERNOR

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STATE SUPERINTENDENT

Important Information Regarding Child Development and Care (CDC) Program Changes

The purpose of this letter is to let you know about changes affecting the Child Development and Care (CDC) program. You are receiving this letter because you are receiving CDC benefits, or you are a child care provider. The three changes, explained below, begin on or after the June 28, 2015 (514) pay period.

Expanded Tiered Reimbursement- Licensed and registered providers with a Great Start to Quality rating of 2, 3, 4, or 5 stars will receive an increase in the department's hourly reimbursement rate. The new rates for licensed and registered providers are listed below:

	Child Care Centers		Family & Group Child Care Homes	
	<i>Birth to Age 2½</i>	<i>Over Age 2½</i>	<i>Birth to Age 2½</i>	<i>Over Age 2½</i>
Base (Blank Star and 1 Star)	\$3.75	\$2.50	\$2.90	\$2.40
2 Star	\$4.00	\$2.75	\$3.15	\$2.65
3 Star	\$4.25	\$3.00	\$3.40	\$2.90
4 Star	\$4.50	\$3.25	\$3.65	\$3.15
5 Star	\$4.75	\$3.50	\$3.90	\$3.40

Children who attend a 3, 4, or 5 star licensed or registered program will continue to receive reimbursement at the 100% departmental pay rate listed above. This will help ensure that parents can access these quality programs.

Twelve Month Eligibility- A child who is eligible for the CDC program will remain eligible for 12 months, except in special circumstances. Reporting will be required if your gross income exceeds the amount, listed on the DHS-1605 Notice of Case Action, for your group size. The only other reporting requirements will be changes in:

- Address
- Household member
- Provider(s) or care setting
- Increase in need hours

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After 12 months, required review materials and verifications for continued eligibility **MUST** be returned by the due date(s) in order to remain eligible for the CDC program. Failure to return review materials will result in case closure, and may end future eligibility for the program. Rules for provider billing can be found in the Child Development and Care (CDC) Handbook at www.michigan.gov/childcare.

Income Limit Updates- To increase access to high-quality child care for eligible children, the income limits will be expanded. The entry income must be between 0-121 percent of the Federal poverty level (FPL). The exit income limit however, has increased to 250% of the FPL to ease the transition of families from CDC subsidy payments. The Departmental Pay Percentage (DP%) amounts for income eligible CDC will be 95%, 90%, 80%, 70%, **50% and 30%.**

The department pays a percentage of the CDC subsidy rate for approved families. This is called the Departmental Pay Percentage (DP %). The DP% may not cover the total cost of child care. The parent is responsible for all amounts not paid by the Department.

Below is an example of DP% based upon income and group size:

PROGRAM GROUP SIZE	GROSS MONTHLY INCOME – Effective on or after 06/28/2015						
1 or 2	\$0-1607	\$1608-1765	\$1766-1922	\$1923-2079	\$2080-2236	\$2237-2394	No DHS assistance if gross monthly income is over \$2394
3	\$0-1990	\$1991-2407	\$2408-2823	\$2824-3239	\$3240-3655	\$3656-4069	No DHS assistance if gross monthly income is over \$4069
4	\$0-2367	\$2368-2876	\$2877-3384	\$3385-3892	\$3893-4400	\$4401-4906	No DHS assistance if gross monthly income is over \$4906
% of CDC Rate Paid	95%	90%	80%	70%	50%	30%	

For the complete chart of the new income limits, and more information about the DP%, please review the CDC Handbook located at www.michigan.gov/childcare.

If you have any questions about the changes outlined in this correspondence, please call 1-866-990-3227.

Sincerely,

Lisa Brewer Walraven
Director, Child Development and Care
Office of Great Start